

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

SHELDON RICHARD BENTLEY,
a/k/a RICK BENTLEY,

Defendant.

Case No. 2:23-cv-02119-JAM-JDP

FINAL JUDGMENT

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant Sheldon Richard Bentley, a/k/a Rick Bentley (hereinafter “Bentley” or
3 “Defendant”) having entered a general appearance; consented to the Court’s
4 jurisdiction over Defendant and the subject matter of this action; consented to entry
5 of this Final Judgment without admitting or denying the allegations of the Complaint
6 (except as to jurisdiction and except as otherwise provided herein in paragraph VI.);
7 waived findings of fact and conclusions of law; and waived any right to appeal from
8 this Final Judgment:

9 **I.**

10 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
11 permanently restrained and enjoined from violating, directly or indirectly, Section
12 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C.
13 § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using
14 any means or instrumentality of interstate commerce, or of the mails, or of any
15 facility of any national securities exchange, in connection with the purchase or sale of
16 any security:

- 17 (a) to employ any device, scheme, or artifice to defraud;
18 (b) to make any untrue statement of a material fact or to omit to state a
19 material fact necessary in order to make the statements made, in the light of the
20 circumstances under which they were made, not misleading; or
21 (c) to engage in any act, practice, or course of business which operates or
22 would operate as a fraud or deceit upon any person.

23 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
24 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
25 binds the following who receive actual notice of this Final Judgment by personal
26 service or otherwise: (a) Defendant’s officers, agents, servants, employees, and
27 attorneys; and (b) other persons in active concert or participation with Defendant or
28 with anyone described in (a).

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

(a) to employ any device, scheme, or artifice to defraud;

(b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)], Defendant is prohibited, for five (5) years following the date of entry of this Final Judgment, from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

IV.

1 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
2 Defendant is liable for a civil penalty in the amount of \$111,614 pursuant to Section
3 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange
4 Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy this obligation by paying
5 \$111,614 to the Securities and Exchange Commission pursuant to the terms of the
6 payment schedule set forth in paragraph V. below after entry of this Final Judgment.

7 Defendant may transmit payment electronically to the Commission, which will
8 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also
9 be made directly from a bank account via Pay.gov through the SEC website at
10 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified
11 check, bank cashier's check, or United States postal money order payable to the
12 Securities and Exchange Commission, which shall be delivered or mailed to

13 Enterprise Services Center

14 Accounts Receivable Branch

15 6500 South MacArthur Boulevard

16 Oklahoma City, OK 73169

17 and shall be accompanied by a letter identifying the case title, civil action number,
18 and name of this Court; identifying Sheldon Richard Bentley, a/k/a Rick Bentley as a
19 defendant in this action; and specifying that payment is made pursuant to this Final
20 Judgment.

21 Defendant shall simultaneously transmit photocopies of evidence of payment
22 and case identifying information to the Commission's counsel in this action. By
23 making this payment, Defendant relinquishes all legal and equitable right, title, and
24 interest in such funds and no part of the funds shall be returned to Defendant.

25 The Commission may enforce the Court's judgment for penalties by the use of
26 all collection procedures authorized by law, including the Federal Debt Collection
27 Procedures Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the
28 violation of any Court orders issued in this action. Defendant shall pay post

1 judgment interest on any amounts due after 30 days of the entry of this Final
2 Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds,
3 together with any interest and income earned thereon (collectively, the “Fund”),
4 pending further order of the Court.

5 The Commission may propose a plan to distribute the Fund subject to the
6 Court’s approval. Such a plan may provide that the Fund shall be distributed
7 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of
8 2002. The Court shall retain jurisdiction over the administration of any distribution
9 of the Fund and the Fund may only be disbursed pursuant to an Order of the Court.

10 Regardless of whether any such Fair Fund distribution is made, amounts
11 ordered to be paid as civil penalties pursuant to this Judgment shall be treated as
12 penalties paid to the government for all purposes, including all tax purposes. To
13 preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or
14 reduction of any award of compensatory damages in any Related Investor Action
15 based on Defendant’s payment of disgorgement in this action, argue that he is entitled
16 to, nor shall he further benefit by, offset or reduction of such compensatory damages
17 award by the amount of any part of Defendant’s payment of a civil penalty in this
18 action (“Penalty Offset”). If the court in any Related Investor Action grants such a
19 Penalty Offset, Defendant shall, within 30 days after entry of a final order granting
20 the Penalty Offset, notify the Commission’s counsel in this action and pay the amount
21 of the Penalty Offset to the United States Treasury or to a Fair Fund, as the
22 Commission directs. Such a payment shall not be deemed an additional civil penalty
23 and shall not be deemed to change the amount of the civil penalty imposed in this
24 Judgment. For purposes of this paragraph, a “Related Investor Action” means a
25 private damages action brought against Defendant by or on behalf of one or more
26 investors based on substantially the same facts as alleged in the Complaint in this
27 action.

28 V.

1 Bentley shall pay the total penalty due of \$111,614 in four (4) installments to
2 the Commission according to the following schedule: (1) \$27,903.50 within ten days
3 of entry of this Final Judgment; (2) \$27,903.50 within 120 days of the entry of this
4 Final Judgment; (3) \$27,903.50 within 240 days of the entry of this Final Judgment;
5 and (4) \$27,903.50 within 365 days of the entry of this Final Judgment. Payments
6 shall be deemed made on the date they are received by the Commission and shall be
7 applied first to post judgment interest, which accrues pursuant to 28 U.S.C. § 1961 on
8 any unpaid amounts due after 30 days of the entry of Final Judgment. Prior to
9 making the final payment set forth herein, Bentley shall contact the staff of the
10 Commission for the amount due for the final payment.

11 If Bentley fails to make any payment by the date agreed and/or in the amount
12 agreed according to the schedule set forth above, all outstanding payments under this
13 Final Judgment, including post-judgment interest, minus any payments made, shall
14 become due and payable immediately at the discretion of the staff of the Commission
15 without further application to the Court.

16 VI.

17 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for
18 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,
19 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant,
20 and further, any debt for disgorgement, prejudgment interest, civil penalty or other
21 amounts due by Defendant under this Final Judgment or any other judgment, order,
22 consent order, decree or settlement agreement entered in connection with this
23 proceeding, is a debt for the violation by Bentley of the federal securities laws or any
24 regulation or order issued under such laws, as set forth in Section 523(a)(19) of the
25 Bankruptcy Code, 11 U.S.C. §523(a)(19).

26 VII.

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28

1 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
2 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this
3 Final Judgment.

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5 Dated: October 13, 2023

/s/ John A. Mendez

6 THE HONORABLE JOHN A. MENDEZ
7 SENIOR UNITED STATES DISTRICT JUDGE
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